

## Message Text

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PAGE 01 ROME 08667 171623Z

43

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 TAR-01 USIA-06 XMB-02

OPIC-03 SS-15 NSC-05 PA-01 PRS-01 L-03 H-02 /089 W

----- 070645

R 171530Z JUN 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1607

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: EFIN, EALT, IT

SUBJECT: POSSIBLE ITALIAN BORROWING FROM JOINT

EC FACILITY; EVENTUAL LIRA REJOINING OF EC

SNAKE

REF: A. ROME 7373 (NOTAL)

B. ROME 6843

1. ITALIAN PRESS JUNE 17 CARRIES REPORTS THAT GOI HAS  
MADE REQUEST FOR \$300 MILLION BORROWING UNDER EC  
JOINT FACILITY. ONE PRESS REPORT QUOTED TREASURY  
MINISTER COLOMBO AS INDICATING THAT GOI HOPED THAT  
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PAGE 02 ROME 08667 171623Z

LIRA COULD RE-JOIN EC SNAKE BY END-1975, IF CON-

DITIONS PERMIT.

2. BOI VICE DIRECTOR GENERAL OSSOLA TOLD TREASATT JUNE 71 THAT THESE PRESS REPORTS WERE NOT EXACT. HE SAID THAT IRISH HAD FORMALLY REQUESTED \$200 MILLION EC BORROWING DURING WORKING LUNCH OF THE EC MINISTERS AT THEIR JUNE 16 MEETING. (IRISH MINISTER WAS IRATE THAT THIS HAD LEAKED TO PRESS.) OSSOLA ASSERTED THAT GOI HAS STILL NOT FORMALLY MADE REQUEST FOR EC LOAN AND THAT IT DOES NOT WISH TO SET SPECIFIC FIGURE ON ANY POSSIBLE ITALIAN BORROWING AT THIS TIME. GOI DID SEND LETTER TO COMMISSION INDICATING ITS CONTINUED INTEREST IN POSSIBLE BORROWING. HOWEVER, ITALIAN PRESS HAD ERRONEOUSLY PICKED UP \$500 MILLION SUPPOSED CONTRIBUTION FROM VENEZUELA, SUBTRACTED \$200 MILLION FOR IRELAND AND FALSELY ASSUMED THAT REMAINING \$300 MILLION WOULD BE LENT TO ITALY. OSSOLA SAID THAT, IN FACT, AMOUNTS WHICH MAY EVENTUALLY BECOME AVAILABLE TO EC FACILITY WERE STILL NOT DETERMINED. SAUDI ARABIA CONTRIBUTION OF \$500 MILLION SEEMED MOST LIKELY, PLUS POSSIBLE CONTRIBUTION OF SEVERAL HUNDRED MILLION DOLLARS FROM VENEZUELA. QUESTION OF CONTRIBUTION FROM KUWAIT WAS STILL UNCERTAIN. EC MINISTERS WILL AGAIN DISCUSS MATTER AT THEIR JULY 10 MEETING. OSSOLA THOUGHT THAT GOI MIGHT SUBMIT SECOND LETTER TO EC COMMISSION, RE-STATING ITS INTEREST IN BORROWING, BUT PROBABLY NOT MENTIONING ANY FIGURE.

3. RE LIRA REJOINING OF EC SNAKE, OSSOLA SAID THAT PRESS REPORT REFERRING TO END-YEAR TARGET DATE WAS NOT CORRECT. MINISTER COLOMBO HAD SIMPLY RESTATED GOI POSITION THAT IT WAS ATTEMPTING TO CORRECT DIFFICULT ITALIAN FINANCIAL SITUATION, THAT IT HAD MADE SOME PROGRESS, BUT THAT EVENTUAL GOAL OF REJOINING SNAKE DEPENDED UPON FURTHER CONSOLIDATION OF RECENT IMPROVEMENTS. VOLPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEMBERSHIP, LIRA, FOREIGN EXCHANGE RATES, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750210-1314  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 ROME 7373  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by ElyME>; APPROVED <14 OCT 2003 by KelleyW0>  
**Review Markings:**

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE ITALIAN BORROWING FROM JOINT EC FACILITY; EVENTUAL LIRA REJOINING OF EC  
**TAGS:** EFIN, EALR, IT, EEC, SNAKE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006